

CITY OF
HAYWARD
HEART OF THE BAY

GREEN HAYWARD PAYS®
(Pay As You Save)

On-Bill Conservation and Efficiency Financing Program

June 23, 2015

Alex Ameri
Director of Utilities & Environmental Services

Program Description

- On-bill financing program for multi-family properties
- Involves installation of water and energy saving measures
 - ✓ High efficiency toilets
 - ✓ Low flow shower heads and faucet aerators
 - ✓ Lighting and hot water distribution system upgrades
- No up front cost to property owners
- Costs repaid through surcharge on water bills
- Surcharge not to exceed 80% of estimated water and energy bill savings

Example Project

Example for 20-Unit Property

Current Bi-Monthly Utility Bills*	Total Project Cost	Estimated Bi-Monthly Savings	Bi-Monthly Surcharge	New Bi-Monthly Utility Bills*
\$2,000	\$6,700	\$320	\$150	\$1,830

*Includes water, sewer and PG&E

- Effective savings equal to \$170
- In this example, the surcharge is less than 50% of the estimated savings
- The maximum surcharge under the 80% rule could go up to maximum \$256

Pilot Program

- Grant funding from Regional Climate Protection Authority to design pilot program only
- Goal is to serve 2,000 dwelling units
- Hayward would be the second test-case water agency in California (out of 416) to provide this financing program
- First offered by Town of Windsor
 - ✓ Retrofitted six multi-family properties
 - ✓ Utilized General Fund reserves and loan guarantee from the Sonoma County Water Agency

Certification Agent and Program Contractors

- Program implementation requires consultant and contractor agreements for essential functions that cannot be performed by staff
 - Certification Agent: City to enter into an agreement with a certification agent to market program and provide administrative oversight
 - Contractor: City to enter into an agreement with a pre-selected contractor for installation services
 - Suppliers: City to enter into contract with several pre-selected suppliers to provide conservation measures (toilets, aerators, etc.)

Pilot Program Funding

- Council approved pilot program in February 2014 based on private funding of \$1 million through bank loan
- Bank terms turned out to require City guarantees, which would require voter approval
- Staff prefers to continue pursuit of outside funding
- An option is to fund pilot program internally
- Council Sustainability Committee directed staff to bring an internal funding option to Council

Proposed Source of Internal Funding

- If Council decides to pursue self-funding, the Water Improvement Capital Fund can be used
- \$1 million included in FY 2016 CIP (on Council Agenda this evening)
- Annual repayment of \$140,000

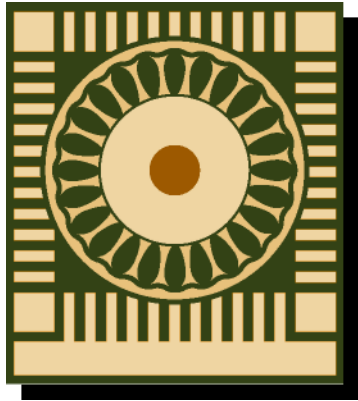
Economic and Fiscal Impact

Economic

- Residents and property owners who are able to utilize program can benefit
- Contractor will try to use local workforce if additional staff is needed for installation

Fiscal

- Reduces reserves in Water Improvement Capital Fund
- Potential for model not to work



Questions/Comments/Discussion